

**Meeting Notes**  
**Postsecondary Education Working Group**  
**July 19, 2016**

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The Postsecondary Education Working Group met Tuesday, July 19, at 1:00 p.m., ET, at the Kentucky Council on Postsecondary Education in Frankfort, Kentucky. Chair Gary Ransdell presided.

WELCOME	Chair Ransdell called the meeting to order and welcomed everyone.
ROLL CALL	The following members were present: Michael Benson, Jay Box, Eli Capilouto, John Chilton, Robert Davies, David Givens, Robert King, Andrew McNeill, Geoffrey Mearns, Greg Rush (for Aaron Thompson), Beth Patrick (for Wayne Andrews), Neville Pinto (for James Ramsey), Gary Ransdell, Arnold Simpson
OPENING REMARKS	<p>Mr. Robert King, KY Council on Postsecondary Education president, opened the meeting by stating he has met with the presidents several times over the last few years, and he has had discussions with members of the General Assembly and representatives from the Governor's office during the last few months to discuss performance funding. Mr. King gave a quick overview of the meeting agenda and noted that in response to a question about long term and larger goals and as an addition to the agenda, he has invited Ms. Lee Nimocks, CPE vice president for policy, planning, and external relations, to take some time to remind the committee of the statewide long term goals.</p> <p>President King said the various models that have been on the forefront are from meetings last fall, a letter from Senator Givens, and models that CPE staff members have been developing. During this meeting, there are three key decision points that need to be made and that will be emphasized during the meeting: 1) Whether the three sectors are preserved; 2) the basic approach to the overall mission—target/goal and utilization of performance and outcome measures; and 3) the critical components distinct from the actual metrics.</p> <p>Committee Chair and WKU president Dr. Gary Ransdell said the expectation is that the model developed in this series of meetings will be used in the next biennium and beyond. The timeline for this project is to have completion by November, 2016, in order to have a proposal for the next session of the General Assembly, beginning in January 2017.</p>
STATE STRATEGIC PLAN OVERVIEW	Ms. Nimocks provided a presentation and brief overview of the 2016-2021 Strategic for Postsecondary Education and Adult Education, <i>A Plan to Create a More Prosperous Kentucky</i> . A question was asked about the big goal shown in the presentation, "To increase KY's educational attainment (certificate and above) to 58% by 2025. KY's current attainment level for working age adults is 45%," noting that 300,000 degrees and certificates over an eight year period are a staggering number to achieve. Ms. Nimocks replied that reaching the national average in educational attainment is an ambitious goal and is part of HB1 mandates (1997 higher education reform legislation). Achieving the goal will take additional resources and more effectively reaching out to adult, minority and other underserved population.

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GOALS AND GUIDING PRINCIPALS	Dr. Bill Payne, CPE vice president for finance and administration, noted that the document titled “Kentucky Public Postsecondary System Performance Funding Work Group Goal and Guiding Principles,” is in the meeting handouts for review.
DISCUSSIONS TO DATE	Chair Ransdell informed the group that there are three areas of general agreement that include: 1) Performance funding should be phased in; 2) Kentucky State University be held harmless in early years of implementation; and 3) Mandated programs should be excluded from allocable funds.
A) AREAS OF GENERAL AGREEMENT	
B) REMAINING DECISION POINTS	Remaining decision points include: 1) Should the adopted model preserve sector shares; 2) Should the metrics be customized by sector; and 3) What percentage of postsecondary institution net General Fund should be distributed on the basis of performance—5.0% in 2017-18 (specified in HB 303) and going forward.
SAMPLE MODELS	CPE’s finance and administration staff, Dr. Bill Payne, vice president, Scott Boelscher, senior associate, presented three sample funding models to the committee and referred to handouts provided to members. The approaches included: <ol style="list-style-type: none"><li>1. Targets and goals approach</li><li>2. Relative improvement model</li><li>3. Outcomes based funding</li></ol>
ALIGNING METRICS WITH GOALS	Chair Ransdell asked that all committee members be prepared for a robust discussion at the next meeting on aligning metrics with goals.
DECISION POINT DISCUSSION	Chair Ransdell summarized the comprehensive and complex discussion among the committee members stating agreement on the following points: <ul style="list-style-type: none"><li>• The three previously agreed upon decision points stated above in areas of general agreement.</li><li>• Outcomes based approach, generally speaking, with nuances in regard to factoring in a self-improvement concept. Chair Ransdell called for a vote and the majority of the committee agreed to use this approach.</li><li>• 50-50 course completion/degree completion model.</li><li>• Review 50-50 models in two separate sector presentations:<ul style="list-style-type: none"><li>- Four year institutions plus the KCTCS institutions;</li><li>- Three sectors—Research, Comprehensive, KCTCS</li></ul></li><li>• Re-evaluate the 2018-20 biennium.</li></ul>
NEXT STEPS	The next meeting is September 7, 2016, and at that meeting, the committee will decide whether additional meeting dates are needed. Other agenda items for the September 7, 2016, meeting include making a decision on volume and rate; making a decision on metrics; defining sector—two or three; and making a decision on whether the goal is to get to 25%. Senator Givens requested a brief narrative that

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connects metrics showing what is called for within each metric.

**ADJOURNMENT**

The meeting adjourned at 4:45 p.m., ET.